

Small Business Regulatory Fairness Board Small Business Impact Statement

Date: August 18, 2016

Rule Number: 20 CSR 700-1.170

Name of Agency Preparing Statement: Department of Insurance, Financial Institutions and Professional Registration (DIFP)

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Please describe the methods your agency considered or used to reduce the impact on small businesses (*examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique*).

The Department has reduced potential impact upon small businesses by choosing a license application form substantially similar to one already in use and therefore familiar to the public, by including a training program exemption for licensed property insurance producers, and by prescribing only the content, but not the form, of the self-service storage register required by statute.

Please explain how your agency has involved small businesses in the development of the proposed rule.

The Missouri Self Storage Owners Association, whose mission is to represent the owners and managers of self-storage facilities in Missouri, contacted the Department to encourage the promulgation of a rule to effectuate Section 379.1640, part of House Bill 2194 that will go into effect on August 28, 2016. The Department sought input regarding the proposed regulation from the Missouri Self Storage Owners Association. The Department also contacted Storsmart Insurance, a provider of self-storage contents insurance (that small business may choose to offer their customers) regarding the proposed rule.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

Pursuant to the new statute, the Department will collect a \$100.00 fee with each license application. This fee was enacted by the Missouri legislature, and the Department has no

authority to modify that amount; it is incorporated into this proposed rule only for clarity and comprehensiveness.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Small businesses that own or operate self-service storage facilities will be required to comply with the new statute and the proposed rule provides the application form for a limited lines self-service storage insurance producer license. The proposed rule, consistent with the new statute, outlines the information specified for the self-service storage register and training requirements for the employees of the licensed producer. The Department perceives no adverse impact from compliance with the proposed rule, but rather intends the rule to provide clarity to aid small businesses in complying with the existing statutory requirements.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

Any costs associated with compliance of the proposed rule originate from Section 379.1640, House Bill 2194 (2016).

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

For the reasons described above, the proposed rule will not have any direct costs. Missouri limited lines self-service storage insurance producers will directly benefit from the proposed rule because it provides a form by which to apply for the newly-required licensure and provides clarity of regulatory requirements with which they must comply under the new law.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No x

If yes, please explain the reason for imposing a more stringent standard.

N/A